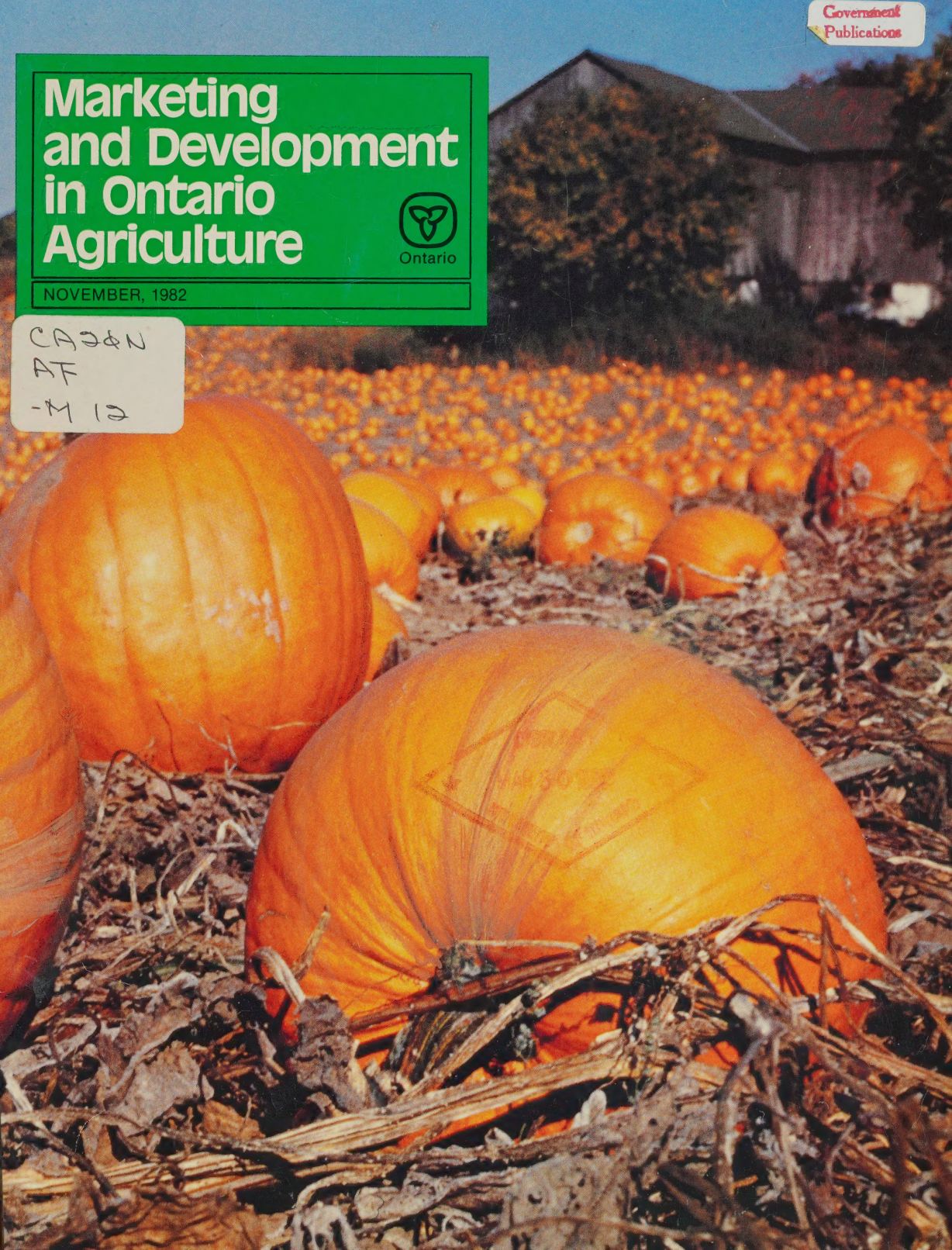


Marketing and Development in Ontario Agriculture



NOVEMBER, 1982

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STORAGE AND PACKING ASSISTANCE PROGRAM REDUCES FRUIT AND VEGETABLE IMPORTS



Don Culp, who grows 56 hectares (140 acres) of peaches and other fruit near Vineland, knows the meaning of stress and frustration.

These feelings invariably occur around harvest time, when row upon row of trees laden with juicy peaches are ripe for picking . . . and Culp fears that he won't have time to market the total crop before spoilage sets in.

"We had a normal crop year in 1980 and we were backed up all the time," Culp says. "We couldn't keep up to the picking."

N.H. Culp and Sons Ltd., typifies the many Ontario fruit and vegetable growers who lack adequate storage and packing facilities. The end result: \$600 million worth of fruits and vegetables imported into Ontario in 1980.

As a major part of its import replacement program, the Ministry of Agriculture and Food and the Board of Industrial Leadership and Development (BILD) have implemented the \$20 million Ontario Storage and Packing Assistance Program, designed to lengthen the marketing season for home-grown fruits and vegetables.

Since the program was announced in 1981, BILD has provided more than 150 grants totalling more than \$2.3 million to build and modernize storage and packing facilities. Capital cost of these projects totals over \$7 million.

BILD grants cover one-third of the cost of new or renovated storage facilities for fresh market and processing fruit and vegetables. Grants also cover one-third of the cost of purchasing and installing handling and packing equipment for fresh market fruit and vegetables.

For Don Culp, the \$15,000 grant his company received to help construct a new storage and packing shed will facilitate the harvesting and

packing of fruit as well as the handling of increased volume.

Culp says that consumers will also benefit because fruit now will be pre-cooled prior to being packed, greatly enhancing the quality of the product at the retail level.

And when there is a glut of fruit on the market, produce can be safely stored on the farm until the grocers' shelves are cleared.

"Our new facilities offer us more flexibility in packing, we can be more selective, and there's no panic to get all the product out in one day," Culp says.

Ken Paxton, of Paxton Farms, Niagara-on-the-Lake, is convinced the new program will help Ontario's import replacement drive.

With the aid of a \$50,000 BILD grant, Paxton has constructed and equipped a new packing facility and two new storages, which will accommodate about six times more produce than before. These additional facilities will enable Paxton Farms to bring more of their land into fruit production for the benefit of consumers for years to come. ☺

BILD GRANTS ASSIST GROWERS —

Peach grower Don Culp tells Agriculture and Food Minister Dennis Timbrell (left) and Phil Andrewes, MPP for Lincoln and Parliamentary Assistant to the Minister of Energy, why he needed BILD help to erect a new storage and packing facility. Upper right is the new Paxton packing facility, one of many new facilities built with BILD assistance. At top left is the new packing equipment installed by Chester Kowalik of Vineland Station with the help of a BILD grant.



NEW FINANCIAL PROTECTION PROGRAM FOR ONTARIO BEEF PRODUCERS

Ontario beef producers no longer have to fear total financial loss when buyers of their cattle default on payments.

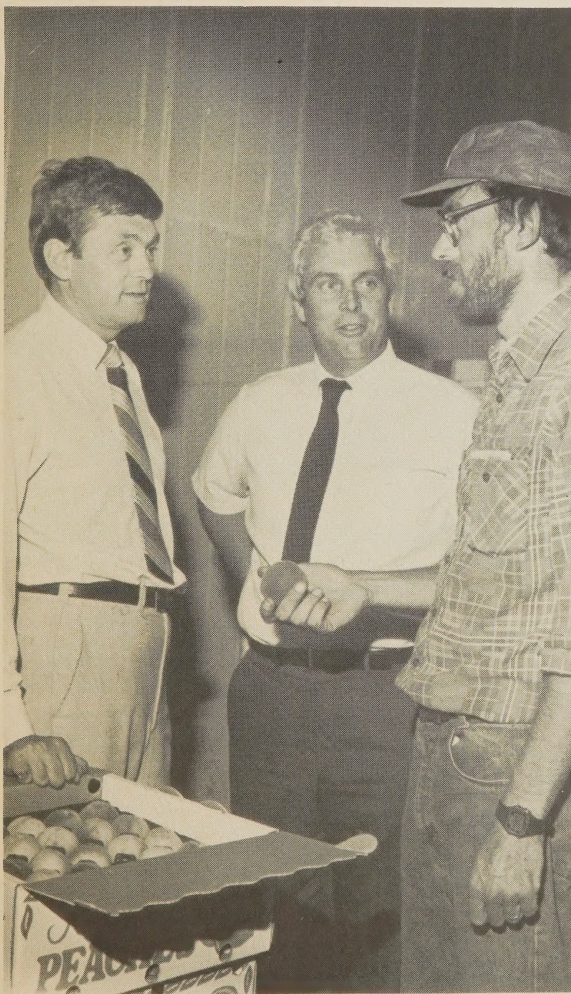
On September 1, it became mandatory for all community sales operators, commission firms operating at the Ontario Stock Yards, packing plants and slaughterhouse operators and country dealers in Ontario to be licensed as livestock dealers under provisions of the new Beef Cattle Financial Protection Program. More than 350 licences have been issued. Producers selling to licensed livestock dealers may be compensated if a default on payment occurs.

The program calls for the establishment of the Livestock Producers Protection Fund to compensate producers and other sellers should buyers fail to pay. The compensation fund will be built up by payments of 20 cents a head from both the buyer and the seller in all direct beef sales in the province. On consignment sales, the seller, the sales agent and the buyer will each contribute 20 cents a head to the fund. The fund is expected to reach \$1 million within the first 12 months of operation.

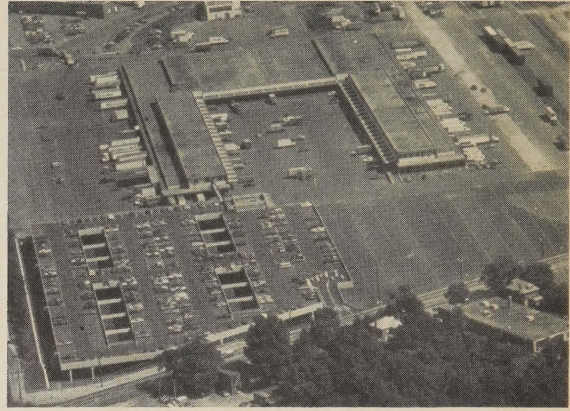
To start up the program, the Ministry of Agriculture and Food has provided a \$25,000 grant. Also available are a \$250,000 interest-free loan and loan guarantees of up to \$1 million if required.

To administer the fund, the province has established a 10-member Livestock Financial Protection Board. Its members include representatives of producer groups, dealers and consumers, and is chaired by George McLaughlin of Beaverton, a well-known livestock producer and former chairman of the Ontario Milk Producers' Marketing Board.

The new program assures prompt payment to the seller. If payment is not made within 48 hours of sale, the seller should contact the provincial livestock commissioner. Claims should be forwarded to the Livestock Financial Protection Board. The board may award 90 per cent compensation on the amount of claim. (V)



FACELIFT FOR FARMERS' MARKET



While most of Metropolitan Toronto sleeps, trucks roll in and out of a large warehouse complex on the Queensway, rushing to fill the larders of Ontario consumers.

It's 5 a.m. and Walter Ivanchuk and his two sons have driven from the Niagara Peninsula to the Farmers' Market at the Ontario Food Terminal to deliver peaches harvested only a few hours earlier. The Ivanchuks and hundreds of other farmers will wholesale their fresh produce to more than 2,000 retailers from across Ontario and western Quebec who assemble at the terminal each day.

When Ontario wakes up and begins its daily shopping, the stores will be filled with fresh garden produce from Ontario foodlands.

The Farmers' Market at the Ontario Food Terminal, established in 1954, assures farmers of a distribution center for home-grown produce where, previously, imported food often received preferred treatment.

This summer a renovated and enlarged Farmers' Market was opened for business by Premier William Davis and Agriculture and Food Minister Dennis Timbrell.

The \$4.75 million expansion increased the number of produce stalls from 450 to 600 and added new parking facilities for 600 cars.

Two-thirds of the renovation costs were provided by the Board of Industrial Leadership and Development (BILD) and one-third by the Ontario Food Terminal Board.

Mr. Timbrell said the New Farmers' Market "will contribute to the Ministry's import replacement program and stimulate a trend toward a larger selection of Ontario produce being offered for sale."

Plans for the future include construction of cold storage space and improved loading facilities.

IT'S BUSINESS AS USUAL AT THE FARMERS' MARKET — The newly-renovated and expanded New Farmers' Market at the Ontario Food Terminal (above) was opened by Premier William Davis (below) driving a forklift vehicle loaded with produce. Walter Ivanchuk of Beamsville was there hours before the opening ceremony to make his regular early morning delivery of fresh fruit.



Doug Williams, chairman of the Ontario Food Terminal Board, sees the expansion as an opportunity for growers to extend the marketing period for their produce.

"Now growers have the facilities to offer more fresh produce during the main season and also make available to buyers in the off-season a good quality of storage crops."

Williams, who spent 33 years with the Ministry of Agriculture and Food before his appointment as chairman of the Ontario Food Terminal Board in 1979, says time will show that one of the most significant improvements at the market was construction of an elevated parking deck which brought an end to traffic congestion in the market



ROADSIDE MARKET

Ontario roadside markets at Vineland and Stoney Creek are popular tourist attractions this time of the year. Fresh produce from the Niagara Peninsula is sold seven days a week in the harvest season by local farmers who operate a total of 17 stalls.

The Ministry of Agriculture and Food owns the stalls, which are leased to farmers who can guarantee to supply a wide variety of fresh Ontario-grown produce throughout the season.

The stalls are inspected four times a week by staff of the Ministry's Fruit and Vegetable Inspection Branch to ensure that all produce sold meets the standards set in the Farm Products Grades and Sales Act.

ONTARIO FARMERS RUN 24 MARKETING BOARDS



The Ontario Flue-Cured Tobacco Growers' Marketing Board is one of 24 producer-elected marketing boards established under the Farm Products Marketing Act and the Milk Act. These 24 marketing boards cover approximately 50 commodities with a farm gate value estimated at \$2.6 billion.

In 1981, more than 60 per cent of gross farm cash receipts in Ontario were derived from regulated commodities sold through these marketing boards.

Marketing legislation was enacted in Ontario in 1937 and comes under the jurisdiction of the Ministry's Farm Products Marketing Branch. The legislation regulates and controls the marketing of most farm products.

Spawned by agricultural unrest and sagging farm incomes during the 1920's and 1930's, marketing boards have brought order to the marketplace, by providing price stability for the producer and assuring food supplies for the consumer.

John McMurchy, director of the Farm Products Marketing Branch, says that "marketing boards are the most effective way to improve the clout of the farmer in the marketplace. The purpose of the legislation and the branch is to ensure that the marketing boards act in a manner consistent with the public interest."

McMurchy's branch supervises the activities of the marketing boards and adjudicates producer-processor disputes.

area and put a roof over about 60 per cent of the stalls.

"More of the growers will be able to operate year-round now that they're protected from the weather and this should attract more buyers to the market," Williams says.

Staff of the Ministry's Fruit and Vegetable Inspection Branch, who enforce the fruit and vegetable regulations under the Farm Products Sales and Grades Act, have already revised their work schedules to accommodate the increased trade at the New Farmers' Market.

THE GOOD THINGS FOR ALL TO SEE —

Backlit billboards, shopping mall posters, newspaper ads and recipe handouts, point-of-sale material in supermarkets — all help tell the Foodland Ontario story.



GOOD THINGS GROW IN ONTARIO

The jingle may never appear on the hit parade top 10 songs, but it's gaining high marks among both Ontario producers and consumers.

"Good things grow in Ontario" is the theme music for the highly successful Foodland Ontario promotion.

The Foodland Ontario campaign, replete with a distinctive logo and catchy jingle, was launched in 1977 to counter increasing domestic consumption of imported foods.

Media advertising, billboards, subway and mall posters, point-of-sale material — all are used to increase consumer awareness and consumption of Ontario foods. Tracking studies conducted annually show that consumer recognition of the Foodland Ontario campaign rose from 42 per cent in 1978 to 68 per cent in 1981.

Studies carried out by the Ministry's Market Development Branch also show that the Foodland Ontario message is most often recognized in grocery stores and supermarkets, primarily because of the display of point-of-sale material.

Ontario marketing boards and commodity groups have become enthusiastic supporters of the campaign. A shared-cost program was introduced in 1977 to assist producer groups in promoting their products. A grant is provided to any participating group which uses the Foodland Ontario symbol and/or signature "Good things grow in Ontario" in its promotional campaign.

This year, 18 commodity groups are participating in the shared-cost program, covering such products as fruits, vegetables, meat, eggs and poultry.

The Foodland Ontario program will continue in its efforts to ensure that consumers don't forget that "Good things grow in Ontario". Major cam-



paigns to promote fruit and vegetable juices, frozen and canned foods will be launched this fall and winter to support the food processing industry.

SUGAR STANDARDS SET FOR ONTARIO GRAPES



Ontario wines, which have been gaining recognition both domestically and internationally, are expected to be further improved through a quality standards program supported by all groups within the grape and wine industry.

Beginning this harvest year, all mature deChaunac grapes delivered to Ontario wineries will be subject to sampling and sugar content determination.

The Ontario Grape Industry Advisory Committee, consisting of representatives from the food processing industry, the wineries, grape growers and the Ministry, has agreed to launch the program with the deChaunac grape, which at 7,000 tonnes (7,714 tons) represents the largest annual tonnage from among the French hybrid group. Because of

its popularity, the deChaunac variety was selected, and extensive data and background information were developed over a three-year period.

Exempt from the sugar standards program will be deChaunac grapes delivered early and processed for white wine. Adjustments will also be allowed for natural occurrences, such as excess precipitation which may affect the attainment of normal sugar levels.

A higher sugar rating will earn a premium price, while grapes showing lower readings will receive a lower percentage of the negotiated price. Failure to attain the minimum acceptable level of 13 brix will result in rejection of the load. Grapes unacceptable for wine-making may be sold to brandy distillers.

Both growers and wineries feel the sugar standards program will result in the cultivation of superior quality grapes and further enhance Ontario wines. The program will provide farmers with a strong incentive and reward for their extra efforts since better quality will earn higher returns.

Jim Sandever, marketing officer of the Ministry's Farm Products Marketing Branch and chairman of the Ontario Grape Industry Advisory Committee, feels that the sugar standards program has "served to reinforce the strong working relationship between the grape growers and the wine industry."

Inspectors Jim Founk and Wayne Patterson will be in charge of organizing and monitoring the sugar inspection procedures at the various wineries. Meanwhile, crush analysis studies will be conducted on other French hybrid and non-labrusca varieties to determine whether the program should be extended to these other varieties.

POLLUTANT BECOMES MAJOR FOOD RESOURCE

Most people learn about whey from little Miss Muffet who sat on her tuffet, eating her curds and whey.

What little Miss Muffet doesn't explain in the nursery rhyme, however, is that whey, while being a major dairy food resource, is also one of the world's worst polluters.

Whey is a natural by-product of cheese production. For every kilogram of cheese produced, nine kilograms of whey remain as liquid residue. In 1979, Ontario cheese makers produced 190,000 tonnes (209,380 tons) of cheese which in turn produced 1.5 million tonnes (1.7 million tons) of whey, only half of which could be processed into some useful food form. The rest became an unwanted pollutant and was either dumped on the land or flushed down the municipal sewage systems.

Now, new technology and modern processing techniques provide ways to extract and isolate the lactose, proteins and minerals which make up the milk solids of whey.

The Board of Industrial Leadership and Development (BILD) has launched a \$15 million whey processing assistance program for cheese makers and other food processors, which offers up to one-third of new equipment costs for modernizing whey processing and handling facilities.

At present, 12 applications are being processed by a five-member whey committee, chaired by Dr. Joseph Meiser, director of the Ministry's Dairy Inspection Branch. Projects nearing the acceptance stage involve liquid condensed whey-handling equipment and energy-saving equipment for whey processing and nutrient component separation.

"The program encourages lower energy usage in whey processing and promotes the processing of whey by-products such as whey protein, lactose and alcohol for commercial use," Dr. Meiser says.

A study commissioned by the Ministry of Agriculture and Food suggests that the anticipated market for whey proteins could utilize all the surplus whey now produced in Ontario.

Now, new technology enables demineralized whey to be used as a beet and cane sugar substitute for the infant food and pharmaceutical industries. There is also potential for partially delactosed whey to be used as a milk powder substitute in processed cheeses.

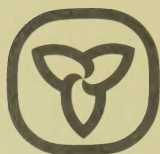
Dr. Meiser sees the market for processed whey as a milk powder replacement growing rapidly. In the mid 1960's, powdered skim milk cost 51 cents a kilogram (23 cents a pound). Today, the price has escalated to \$2.53 a kilogram (\$1.15 a pound) thus motivating heavy users of dry skim milk to find lower priced substitutes. Processed whey at 45 cents a kilogram (20 cents a pound) is inexpensive in comparison.

Although whey can only substitute for one-third of the required skim milk powder, it is estimated that the potential for modified whey could be as much as 12,000 tonnes (13,224 tons) a year.

Since 55 to 60 kilograms (121 to 132 pounds) of raw whey are required to produce one kilogram (2.2 pounds) of modified whey, an expanded market would alleviate disposal problems.

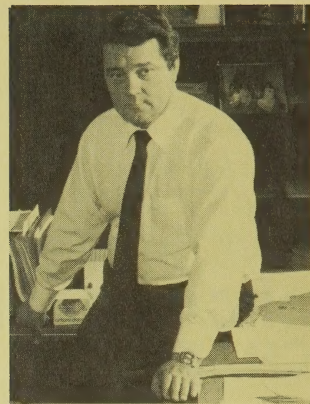
"Every ounce of whey you can utilize will lighten the load of disposal," says Dr. Meiser. "We have the expertise for the removal of the individual components of whey. We now need to develop the market." ☺





THE NEW ORGANIZATION

Marketing and Development Field



WILLIAM V. DOYLE
Assistant Deputy Minister



ALAN J. COOPER
Executive Director

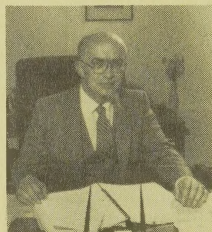
Alan J. Cooper holds degrees in economics and business administration from the University of Toronto.

He began his business career in 1970, spending the first two years as an accountant with Touche Ross and Co. in Toronto. In 1972, he switched careers to marketing and became, first an account executive, later an account supervisor, with MacLaren Advertising. In 1975, he moved to Warner-Lambert Ltd. as senior product manager, becoming new product manager, and then group product manager.

In 1979, Cooper joined the Ontario Ministry of Agriculture and Food as director of the Market Development Branch and in April this year became executive director of the three branches in the Ministry's Marketing Division.

MARKETING DIVISION

Farm Products Marketing Branch



JOHN C. McMURCHY
Director

John C. McMurchy is a graduate of Trinity College, University of Toronto, and Osgoode Hall. He was called to the Bar in 1959 and appointed Queen's Counsel in 1979.

McMurchy joined the Ontario Ministry of Agriculture and Food's Legal Branch in 1964 where he specialized in marketing legislation. Previously, he was with the Township of North York and in private practice. He was appointed director of the Farm Products Marketing Branch, chairman of the Farm Products Marketing Board and chairman of the Milk Commission of Ontario in April this year.

Market Development Branch



GRAHAME B. RICHARDS
Director

Grahame B. Richards is a graduate of Waterloo University College with a degree in business administration.

From 1964 to 1978, he held various sales and marketing positions with Miles Laboratories in Toronto, then joined H.B. Nickerson and Sons Ltd. to develop new markets for their seafood products. In 1980 he became director of the fine chemical division of Hoffman-La Roche.

Richards was appointed director of the Ministry's Market Development Branch in July this year.

Food Processing Branch



BRIAN J. SLEMKO
Director

Brian Slemko earned B.A. and B.Sc. degrees from the University of Lethbridge in 1971 and earned his M.A. from Queen's University the following year.

He entered the Ontario government in 1972 when he joined the Ministry of Treasury, Economics and Intergovernmental Affairs. He joined the Ontario Ministry of Agriculture and Food in 1978 as manager of the Market Situation and Outlook Unit.

Slemko was named director of the Food Processing Branch in April, 1982.

William V. Doyle is a graduate of University College, Dublin, with degrees in agricultural science and commerce. Prior to coming to Canada, he was employed for several years in the United Kingdom as an agricultural consultant.

Doyle joined the Ontario public service in 1968 as secretary of the Farm Products Marketing Board and was named vice-chairman in 1973.

He became executive director of the Ontario Ministry of Agriculture and Food's Marketing Division in 1976, assistant deputy minister of an expanded Marketing Division in 1978, then assistant deputy minister of the Marketing and Development Field earlier this year.



DR. KENNETH A. McDERMID
Executive Director

Dr. Ken McDermid graduated from the Ontario Veterinary College in 1951. The following year, Dr. McDermid earned a diploma in veterinary public health from the University of Toronto.

In 1952, Dr. McDermid began his professional career as a veterinarian with a large animal practice in Stayner, Ontario. A year later, he accepted a position as public health veterinarian with the St. Catharines-Lincoln Health Unit.

He joined the Livestock Branch of the Ontario Ministry of Agriculture and Food in 1957 as assistant to the provincial veterinarian and transferred to the Veterinary Services Branch in 1964 to head its regulatory section. He was named director of the Veterinary Services Branch in 1974.

Dr. McDermid was appointed executive director of the Quality and Standards Division in April, 1982.

QUALITY AND STANDARDS DIVISION

Livestock Inspection Branch



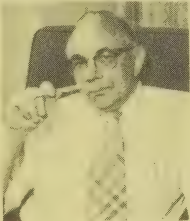
DR. GEORGE C. FLEMING
Director

Dr. George Fleming graduated from the Ontario Veterinary College in 1952 and a year later earned his D.V.P.H. from the School of Hygiene, University of Toronto.

Prior to joining the Ontario Ministry of Agriculture and Food in 1965, he was with the Ontario Ministry of Health and the City of Hamilton Health Department. He has been a regional veterinarian in the Niagara Peninsula and the Guelph area, and for the past year has been director of meat inspection for the Ministry.

Dr. Fleming became director of the Livestock Inspection Branch in April, 1982.

Dairy Inspection Branch



DR. JOSEPH A. MEISER
Director

Dr. Joseph Meiser graduated with a B.Sc. degree in dairy husbandry from Pennsylvania State University in 1943 and earned his Ph.D. in 1948. He served an eight-year term as assistant professor at Michigan State University, then joined Twin Pines Dairy Inc. in Detroit where he became general manager and later president.

Dr. Meiser joined the Ontario Ministry of Agriculture and Food in 1972 and has served as program director of the Central Milk Testing Laboratory, dairy commodity leader, associate director of the Milk Industry Branch, associate director of the Farm Products Quality Branch and director of the Milk Inspection Branch.

He was appointed director of the Dairy Inspection Branch in April this year.

Fruit and Vegetable Inspection Branch



JAMES H. WHEELER
Director

James H. Wheeler graduated from the University of Guelph in 1974 with a B.Sc. degree in agriculture.

He joined the Ministry of Agriculture and Food in 1974, working on grading programs for tobacco and processing vegetables in the Farm Products Quality Branch. In 1976, he was named district supervisor for that branch at the Ontario Food Terminal. Since 1981, he has acted as program manager for the Ontario Storage and Packing Assistance Program.

Wheeler was named director of the Fruit and Vegetable Inspection Branch in July this year.



HENRY H. EDIGER
Executive Director

Henry Ediger earned a B.Sc. degree from the Ontario Agricultural College in 1956. Upon graduation he joined the United Co-operatives of Ontario and served as Co-op manager in Wingham, Campbellford and Alliston.

Ediger joined the Ontario Ministry of Agriculture and Food in 1965 as associate director of the Ontario Junior Farmer Loan Establishment Corporation. Four years later he was appointed general manager of the Crop Insurance Commission of Ontario. Since 1977, he has also been general manager of the Ontario Farm Income Stabilization Commission.

Ediger was appointed executive director of the Foodland Preservation and Improvement Division in April, 1982.

FOODLAND PRESERVATION AND IMPROVEMENT DIVISION

Foodland Preservation Branch



DONALD R. DUNN
Director

Donald Dunn is a graduate of MacDonald College, McGill University, with a B.Sc. degree in agriculture. He joined the Ontario Ministry of Agriculture and Food in 1971 as an extension horticulturalist for the Georgian Bay region.

Dunn was appointed special assistant to the deputy minister in 1974, then director of Agricultural Manpower, director of the Farm Products Inspection Branch and later associate director of the Fruit and Vegetable Inspection Branch.

He became director of the Foodland Preservation Branch in April, 1982.

Capital Improvements Branch



VERNON I. SPENCER
Director

Vern Spencer received his B.Sc. degree in agriculture from the Ontario Agricultural College in 1959 and his B.A.Sc. degree from the University of Toronto in 1960.

From 1960 to 1973, he served as agricultural engineer with the Ontario Ministry of Agriculture and Food's Extension Branch and in 1968 received an M.A. degree in environmental engineering from the University of Western Ontario.

Spencer was appointed provincial drainage coordinator in 1973 and a year later director of the Foodland Development Branch.

He was appointed director of the Capital Improvements Branch in April, 1982.



John Elder
in front
of his Hamilton
mustard plant

HAMILTON COMPANY CUTS THE MUSTARD IN EXPORT MARKETS

Canada's only mustard seed mill is located in a drab, overcrowded building in downtown Hamilton.

Owner John R. Elder's no frills approach to business is the major reason for his company's skyrocketing export sales.

Founded by the Dunn family of Croydon, England, in 1867, G.S. Dunn Ltd. was on the verge of bankruptcy when it was purchased by local flour miller, J. Leslie Elder, in 1960. The company hasn't looked back since the takeover.

In 1960, the mill ground only 31.5 kilograms (70 pounds) of mustard seed an hour for a dwindling domestic market. Today, the mill's capacity is more than 2,250 kilograms (5,000 pounds) an hour, and supplies over half the Canadian market as well as an export market of 10 countries. Exports now account for more than 80 per cent of the company's production, which is estimated at 3,600,000 kilograms (8 million pounds) a year.

One of Elder's most satisfying moments was when he succeeded in gaining a foothold in the United Kingdom mustard market. Assisted by the Ministry's agricultural and food representatives in Europe, the firm now controls a large percentage of the U.K. industrial mustard market.

G. S. Dunn custom grinds mustard flour to meet the specifications of most of the major names in the mustard industry.

"These companies can't beat our prices

because of our lower overhead costs," Elder says. "If you've got the right product and the right price, then you usually get the sale."

Traditionally, processed mustard seed has been used for mayonnaise, salad dressing, pickles and sauces. Elder sees a new use for mustard in the future — mustard protein.

"One of these days you'll be eating mustard in your hotdog, not just on it," Elder says.

Science is now able to utilize protein from mustard seed as a base material for foodstuffs.

Elder is so confident that new mustard products and mustard protein have such potential that his firm is now building a 4,500 square metres (48,438 square feet) warehouse which will increase storage capacity from 180,000 kilograms (400,000 pounds) to 540,000 kilograms (1.2 million pounds). Expansion plans also include a new seed-conditioning area, with construction expected to begin later this year.

As for the future, Elder sees mustard seed as a profitable cash crop alternative for Ontario farmers. At present, the only mustard seed grown in Canada comes from the Prairie provinces. Elder believes that the introduction of mustard protein production in the province may create a strong market and incentive for locally grown mustard seed. ☺



IT'S ALL IN THE PACKAGING — Dare's chocolate chip cookies become "Breaktime" coco chip cookies when they appear on the supermarket shelves in the United States. The Ministry assists Ontario firms in redesigning product labels and packaging for export.

EXPORT AIDS HELP SALES

WANTED: Companies eager to export agriculture and food products. We can help by providing professional marketing aids at minimal cost to you. Call International Trade at (416) 965-7038.

The Ministry's Market Development Branch has designed an export sales aid program to assist firms in gaining access to new markets.

It includes:

- Designing and printing export brochures;
- Reformulating food products to comply with import restrictions;
- Redesigning export product labels and packaging for export;
- Creation of point-of-sale material;
- Provision of technical information with breeding stock sales.

Since the program began a year ago, 21 companies and eight marketing boards and associations have qualified for financial assistance totalling \$136,000. The Export Sales Aid Program pays one-half of the project cost.

Projects in the first year included the design of six export brochures and four sales catalogues, seven packaging and label changes, assistance in designing four point-of-sale items and four exhibits, translation of a film and preparation of a slide presentation.

LOW CANADIAN DOLLAR ASSISTS FOOD EXPORTS

Not everyone sees the low Canadian dollar as a reason to be depressed about the current state of the economy. Many Ontario food exporters see it as an opportunity to show and sell their products in new markets.

Two of these markets are Dallas, Texas, and Los Angeles, California, where recent trade missions resulted in combined sales of \$12 million.

The Ministry's Market Development Branch dispatches food export missions to the United States on a regular basis, but before the Canadian dollar dropped, many Ontario firms were not competitive in the more distant U.S. markets because of higher freight costs.

"The advantages of a 20 per cent premium on the Canadian dollar over the American dollar more than compensates for the longer haul," says Bill Richardson, a ministry export officer.

Richardson, who organized these first food missions to Dallas and Los Angeles, says both markets will be visited again in the near future. Some \$7 million worth of Ontario food products will appear on the California market this year as a result of the Los Angeles mission.

The 12 participating firms sold a wide variety of products, including cheddar cheese, wild rice, honey, pasta, lake trout, smoked salmon, McIntosh apples, butter and apple tarts, red and white wines, ale and lager beers, Italian-style specialty meats and German-style bread.

Earlier this year, 11 Ontario firms met some 250 representatives of major supermarket chains and food distributors in the Dallas-Fort Worth area and sold an estimated \$5 million worth of products, including bacon, specialty meats and frozen foods.





ITALIAN-STYLE MEATS MADE IN ONTARIO

A representative of Siena Foods Ltd., Toronto, discusses with a potential importer his company's list of specialty meat products. Siena was one of 12 Ontario firms participating in a recent Ministry-organized food export mission to the Los Angeles area.

NON-TRADITIONAL MARKETS OFFER BIG EXPORT GAINS

Market development officers of the Ontario Ministry of Agriculture and Food suggest that companies searching for new export sales of their agriculture and food products should consider investigating the non-traditional markets.

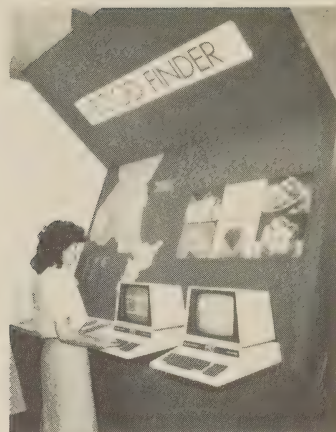
A study produced recently by the Ministry's Market Development Branch, entitled "The Non-Traditional Trading Countries — An Analysis of Ontario Agricultural Exports," shows that the province's food exports from 1978 to 1981 have grown 16.8 per cent in traditional markets and a staggering 42.8 per cent during the same period in non-traditional markets.

Traditional markets in this study are defined as the United States, the United Kingdom, members of the EEC, the Caribbean and Japan. Non-traditional markets where Ontario companies and agencies have experienced the most rapid growth are countries in Latin America, Southeast Asia and the Middle East.

The study is used by market development officers to assist prospective exporters in determining which markets offer opportunities for their products.

As an example of the market potential of non-traditional trading countries, market development officers point to an Ontario-organized food mission earlier this year to Venezuela, Peru and Chile. Firms representing grocery products, infant and snack foods, and processed meats expect total sales from this one trade mission to amount to about \$1 million over a 12-month period.

Similarly, trade shows in Singapore and Riyadh, Saudi Arabia, have provided a vehicle for 12 other Ontario firms to gain sales in these markets. ☺



AGRICULTURE SHARES FUTUREPOD SHOWCASE

This young lad is captivated by lettuce growing from a plastic pipe — one of the many fascinating exhibits seen by the public in this year's Futurepod at Ontario Place.

Co-sponsored by the Board of Industrial Leadership and Development (BILD), provincial ministries and agencies, and private industry, the \$1.5 million display showed the latest technological advancements in aerospace, communications, energy and agriculture.

The Ontario Ministry of Agriculture and Food's exhibit featured lettuce growing hydroponically, without soil; a computerized precision seeder which gives readouts of the depth, rate and density of planting, row spacing and acreage covered; a food finder which provides on a digital screen information of farm acreage, farm-gate value of crops and availability of fresh and processed food products.

The exhibits illustrated how today's Ontario farmer, using new technology, produces enough food for 80 people while 50 years ago he could feed only 20. ☺

**\$20 million expansion
ahead of schedule**

CANOLA CRUSHING COMES TO HAMILTON



A \$20 million expansion program at Canadian Vegetable Oil Processing in Hamilton is well ahead of schedule and plant management expects to begin crushing canola as early as January 1983.

Canola, the term now generally applied to modern rapeseed varieties, is a new crop to Ontario. When in full operation, the Hamilton plant will crush about 160,000 tonnes (176,320 tons) of Ontario-grown canola a year, providing a valuable vegetable oil and protein meal for eastern Canadian markets.

Canadian Vegetable Oil Processing, a division of Canada Packers Inc., had considered crushing canola as early as 1970 in response to the increasing dominance of western Canadian canola processors in the domestic vegetable oil market. Since the bulk of all canola grown in Canada comes from the Prairies, transportation costs discouraged the firm from entering the canola processing market at the time. Then, in 1979, farmers began to grow canola in Ontario.

In June, 1981, the Ontario government provided the Hamilton vegetable oilseed processing plant with a \$4 million grant. The company is investing an additional \$16 million to install a canola crushing facility in order to compete with western Canadian canola processors.

The grant was provided by the Board of Industrial Leadership and Development (BILD), which has allocated \$58.25 million of its \$1.5 billion budget to agricultural development programs. The Ministry of Agriculture and Food is providing an additional \$5 million to bring the program total to \$63.25 million distributed over five years.

The introduction of canola cultivation to Ontario has been a welcome event for both growers and processors. Canola is a cool-season crop and

represents an attractive alternate cash crop for farmers in areas with 2,700 heat units or less. In addition, canola matures earlier than corn and soybeans and does not interrupt the normal harvesting schedules of other crops.

There are now approximately 3,200 hectares (8,000 acres) of canola under cultivation in the province. G. H. Vinall, general manager of Canadian Vegetable Oil Processing, believes that when the plant's canola crushing facility is completed, more farmers will see canola as an attractive cash crop alternative.

To further increase farmer interest in the new crop, the company has implemented a freight assistance scheme for producers, reimbursing the farmer \$2 per tonne for every 100 kilometres of haulage distance up to a maximum of 500 kilometres.

"To make money in canola processing you really need to have a local supply to cut costs," Vinall says. "Within 10 years, we could see all the needed canola grown right here in Ontario." ☺

TILE DRAINAGE BIG BUSINESS IN ONTARIO

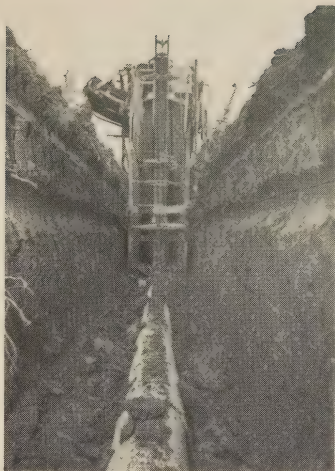
Ontario's tile drainage industry employs 1,700 people and has annual gross sales of more than \$76 million and a payroll of some \$23 million.

Vern Spencer, director of the Ministry's Capital Improvements Branch, says that increased emphasis on tile drainage over the past decade "has not only helped to improve the productivity of Ontario foodlands, but has also given rise to a new rural industry. That industry is now a world leader in exports of machinery and expertise," Spencer says.

In the 1960's, all tile drainage machinery used in Ontario was imported from the United States and Europe. Today, 90 per cent of the machinery, tiles and tubing are produced locally. Fourteen Ontario companies now enjoy world-wide export sales of some \$9 million annually.

HIGH YIELDS AT LOW COSTS

Before Paul Lauzon of Earleton installed tile drainage, his fields looked barren, but now they grow a variety of high-yielding cash crops.



TILE DRAINAGE CONTINUES AS MOST FAVORED PROGRAM

The only problem with tile is that farmers can't get enough of it.

When Ontario's first recorded tile drainage system was installed in 1844, farmers were skeptical. Today, farmers see tile drainage as the best investment they can make.

Tile drainage consists of burying perforated plastic tubing or clay or cement tiles about 90 centimetres (3 feet) under the ground to remove excessive moisture from the soil. This results in a lower water level and drier soil so that the roots of the crops have more space in which to grow.

Tile drainage contractor Ray Roth, of Stratford, says that in the wet years "if you have tile, it's all win; if you don't, it's all loss."

Ontario's tile drainage program is one of the Ministry's oldest on-going programs and its popularity continues to grow. During the last 10 years, the Ontario government and farmers together have invested over \$350 million dollars in drainage.

The province's tile drainage budget for 1982 — 83 was set at \$30 million but, because of a growing demand for more drainage, the Board of Industrial Leadership and Development (BILD) provided an additional \$6 million of funding for the current fiscal year.

Henry Ediger, executive director of the Foodland Preservation and Improvement Division, says that Ontario farmers "do more to improve the productivity of the land through tile drainage projects than farmers in any other jurisdiction in North America."

The tile drainage program works this way:

The province purchases low interest, 10-year debentures from the municipalities. The municipalities loan the debenture funds to their

farmers to help them finance the cost of purchasing and installing tile drains. The province pays the difference between its borrowing rate and the current 10 per cent interest rate on the debentures.

Farmers may borrow up to 60 per cent of the cost of materials and installation.

Before 1950, 90 per cent of all tile drainage work in Ontario was carried out in Essex, Kent and Lambton counties. As a result, the acreage of grain and silage corn in these three counties increased from 270,000 hectares (676,000 acres) in the 1951-55 period to 1,085,000 hectares (2,680,000 acres) in 1980.

Interest in tile drainage in the eastern counties of the province was not kindled until the late 1960's when an early variety corn was introduced. Since weather conditions of the area require farmers to plant early and harvest late, tile drainage became a necessity as well as an attractive investment for them.

Improved yields and production practices made farmers realize that similar benefits could be derived from tiling other crops as well. Installation of tile drainage in eastern Ontario grew from 600,000 metres (2 million feet) in 1968 to 7,500,000 metres (25 million feet) in 1980.

Drainage contractors expect tile installation to grow at an annual rate of 10 per cent in the eastern parts of the province.

Henry Zandbergen, a Brockville area tile drainage contractor, says that in his neighborhood tiling of pasture and hayland have increased yields to the point where some dairy farmers have saved up to \$10,000 a year on their feed bill.

Testimonials to tile drainage are most often expressed in Northern Ontario where farmers are faced with formidable obstacles to achieving op-

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2,600 ATTEND TOBACCO BANQUET — Premier William Davis, tobacco queen Terry Scheers of Langton, Ontario, and past board chairman Ted Raytrowsky enjoy the festivities at the 25th anniversary banquet of the Ontario Flue-Cured Tobacco Growers' Marketing Board. (Photo courtesy of Farm and Country)

PRIDE AND PROGRESS FOR A QUARTER CENTURY

Tillsonburg, deep in Ontario's rich tobacco belt, has seen many a large local gathering where farmers and their wives meet to chat over community issues and prospects for the next harvest.

None of the old-timers, however, could recall a

timum production.

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Earlton farmer Paul Lauzon says "tile drainage means about 60 days more summer," which is particularly important in an area where snow stays until May and the first frosts hit in late August.

Rod Inglis, who was one of the first to use tile in the New Liskeard area, says that without a proper drainage system the rich, black muck of the region can become saturated by the autumn rains.

"We've never had a crop failure, only harvest failures . . . you just can't get into the fields to harvest. Tile dries the land and lets you work it."

By working the land earlier and later in the year, Northern Ontario farmers can double the average grain yield to 55 - 60 bushels per acre.

The Ontario Farm Drainage Association surveyed the province a year ago to determine the impact tile drainage has had on foodlands. It reported that tile drainage, particularly in Northern and Eastern Ontario, increased yields, offered new crop alternatives, increased livestock-carrying capacity, added to workable acreage, reduced soil compaction, saved energy by reducing the need to buy larger equipment, lengthened the growing season and increased land values.

Farmers in Northern and Eastern Ontario say tile drainage represents one of the best investments for the money spent in terms of crop production. ☺

larger or happier gathering than the banquet which took place this year to mark the 25th anniversary of the Ontario Flue-Cured Tobacco Growers' Marketing Board.

Representatives of the Tobacco Manufacturers' Council of Canada and other notables in the industry joined the more than 2,600 producers and friends attending the gala dinner in the Tillsonburg Auction Exchange, which will probably be recorded as one of the largest agricultural events of 1982.

Adding spice to the meal was the prospect of continued good weather, a crop sizing well and guaranteed domestic and export sales for this year's tobacco crop.

Keynote speaker Premier William Davis told the enthusiastic crowd that the success of the tobacco industry in Ontario is due to the people who immigrated from other countries.

"Tobacco growers represent many heritages and many cultures and our country has been made stronger by the contributions of all of you, whether you are newcomers or whether your roots are already deep in our society."

The Premier said it had been a courageous decision to establish the tobacco board in the first place because of the highly competitive and individualistic people involved, "but the stakes were worth fighting for."

It took some 20 years of trying different marketing techniques before the producers voted in 1957 to found the Ontario Flue-Cured Tobacco Growers' Marketing Board, under provincial legislation. The board was given authority to negotiate prices and terms and conditions of sale and to allot marketing quotas to its growers.

That same year, the board adopted the Dutch auction clock system and anonymous selling. Subsequently, it built auction floors in Delhi, Aylmer and Tillsonburg and later established an in-

THE TOBACCO STORY

Since early in this century Ontario farmers have been growing flue-cured tobacco. The quality of flue-cured tobacco produced has been readily accepted on the export market.

Ontario

PRODUCTION

	Pounds	Kilograms
1976	159,048,586	72,294,812
1977	204,848,908	93,113,140
1978	229,587,111	104,140,030
1979	149,229,274	67,689,955
1980	213,695,523	96,931,653
1981	219,887,246	99,740,200

EXPORT TRADE

Calendar Year	Redried Weight
1973	62.6 Million Pounds
1974	74.4 Million Pounds
1975	58.7 Million Pounds
1976	58.6 Million Pounds
1977	51.9 Million Pounds
1978	73.9 Million Pounds
1979	82.2 Million Pounds
1980	42.4 Million Pounds
1981	69.4 Million Pounds



Average price paid Ontario tobacco producers for the year 1981: Canadian currency: 151.93 cents per pound

More than 50 countries imported flue-cured tobacco from Ontario in 1980-81.

dependent bale grading system.

Ontario growers have seen good and bad times since commercial production of tobacco began in 1912. Depressed markets in the 60's because of increased foreign competition stimulated the board to initiate sales missions to Europe, Asia and the Middle East. Ontario tobacco exports have increased from 16,000 tonnes (17,632 tons) in 1962 to 42,000 tonnes (46,284 tons) in 1979. China became one of the board's newest customers when it placed a \$7.4 million order in late 1981.

To ensure that Ontario flue-cured tobacco would maintain and improve its quality, growers agreed to switch from an acreage quota system to a poundage quota system to meet the requirements of foreign buyers.

This changed the emphasis from quantity to quality and was widely acclaimed by local and foreign purchasers.

The board also supported new tobacco research programs stressing quality improvement. Both Agriculture Canada and the Ontario Ministry of Agriculture and Food have research and extension support staff at Delhi working with growers.

This year, the Tobacco Manufacturers' Council of Canada guaranteed growers a minimum of \$3.43 a kilogram (\$1.56 a pound) for the 1982 crop compared to the achieved price of \$3.34 a kilogram (\$1.52 a pound) at the 1981 crop auction. Although high interest rates for producing, buying and storing tobacco have created problems for the growers, they were optimistic that 1982 would be their best year on record.

In late August, an early frost blanketed much of the tobacco country. It was the first time in 42 years that tobacco farmers had experienced extensive frost damage to their crops prior to the completion of the harvest.

As past board chairman Ted Raytrowsky put it, "we've been through these difficulties before. You

don't stay in tobacco or any kind of farming if you're not a fighter or can't envision a better tomorrow."

Raytrowsky believes that growers have enough high quality tobacco from the 1981 crop in storage to meet the minimum requirements of foreign buyers. The Ontario Flue-Cured Tobacco Growers' Marketing Board, the Tobacco Manufacturers' Council of Canada and the Ontario Ministry of Agriculture and Food's Crop Insurance Commission have assessed the extent of the frost damage and have concluded that upwards of 72 million kilograms (160 million pounds) of tobacco will be marketed this year. The Tobacco Manufacturers' Council of Canada has said it will also exert every effort to maintain the present export markets.

Meanwhile, as growers and the tobacco manufacturers sort out the 1982 crop, the tobacco board is making plans to send trade missions to Malaysia, Singapore, Hong Kong and Australia to ensure future markets for their products.

Praising the work and expertise of the Ministry's market development officers, Raytrowsky says "it's the initiative stimulated by the Ontario government which has brought about many of our greatest successes in opening new export markets.

William Doyle, assistant deputy minister in charge of the Ministry's Marketing and Development Field, believes the success of the tobacco marketing board is due to a unique relationship that has been developed between the growers, the industry and the provincial government over the past 25 years.

Doyle says that all three groups "have learned to work within the adversary positions that are so often the norm between buyers and sellers in the marketplace, and the result has been increased benefits for everybody concerned." ☺



REASON, COMPROMISE SAVE FOODLANDS

Ontario, beneficiary of some of Canada's most productive farmland, has always faced competing demands for its land base.

"Resolving this conflict between agriculture and other uses was the motivating force behind the creation of the Foodland Preservation Branch," says Henry Ediger, executive director of the Foodland Preservation and Improvement Division.

The mandate of the branch is to ensure that the most productive agricultural lands and specialty crop lands are preserved for future generations.

Branch Director Donald Dunn defines his staff's role as "to ensure that Ontario's highest priority agricultural resource lands are identified and protected under the official land use planning process and that non-agricultural land use needs occur with the least possible disruption to farmland."

When Ontario Hydro released an environmental assessment review in October, 1981, to expand transmission facilities from the Bruce Nuclear Generating Station to London, the project became the focal point for farmers, environmental groups, municipal planners and governments.

It was at Hydro's request that a joint hearing board, comprised of representatives of the Ontario Municipal Board and the Ontario Environmental Assessment Board, was set up to conduct public hearings. Hydro presented the hearing board with six alternate route plans, one of which Hydro preferred, although all were acceptable to the utility.

The Foodland Preservation Branch provided the hearing board with an independent assessment of the impact of the six alternate routes on agriculture, through a study commissioned from the Ontario Institute of Pedology. The study emphasized the need to maintain maximum flexibility for future agriculture by retaining the best land in the most favorable climatic areas. The study show-

ed that "prime agricultural land occupies 65 to 85 per cent of the route study areas."

The study highlighted two alternate routes which would have less impact on agricultural land in the route areas.

After three months of hearings and subsequent review of information from the various interest groups, the joint hearing board selected one of the alternate routes recommended by the Ontario Institute of Pedology study. This route will affect in varying degrees only 1,412 hectares (3,489 acres) of prime farmland as opposed to 2,182 hectares (5,392 acres) under Hydro's preferred routing and has much less impact on specialty crops.

Now that the planning stage has been completed, Hydro is beginning studies into alternate routes for the placement of the actual transmission lines. The Ministry of Agriculture and Food has already assisted with a collection of background data and will be participating in future public consultations.

Susan Singh, project manager with the Foodland Preservation Branch and one of the Ministry's representatives at the hearings, says "the fact that the board placed greater emphasis on finding ways to minimize negative impact on our prime agricultural land is seen as a victory for foodland preservation." ☺

WE'D LIKE TO HEAR FROM YOU

Readers are invited to send any requests for further information to the Editor,

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Mechanical harvester at work
in a solid-bed
planting of strawberries



NEW STRAWBERRY PROGRAM TO REDUCE IMPORTS

A co-operative venture involving growers, processors, machinery manufacturers and provincial and federal agricultural staff is now under way in Ontario in an effort to reduce imports of frozen strawberries.

Ontario produces annually more than \$10 million worth of strawberries for the fresh market, but in addition imports \$5 million worth of frozen strawberries and \$6 million worth of fresh strawberries each year.

The new program is aimed at replacing 90 per cent of imported frozen strawberries with Ontario-grown and processed berries within the next 10 years.

To meet this objective, Ontario growers will have to plant an additional 405 hectares (1,000 acres) of strawberries worth an estimated \$4.5 million to growers.

The Ministry of Agriculture and Food will fund half of the program, with Agriculture Canada and the private sector each contributing a quarter.

Four main varieties of strawberries are being tested for suitability for mechanical harvesting and processing. Three of these varieties were developed at the Horticultural Research Institute of Ontario.

The province's Horticulture Experimental Station at Simcoe is doing most of the production research involving new planting techniques. The first solid-bed strawberry fields were planted this year by Cedar Springs Cherry Growers' Co-op Ltd. of Blenheim, by

grower Max Steel at Waterford and by the Simcoe station.

Farm Lane Foods Inc. of Simcoe and the Cherry Growers' Co-op are providing facilities for research into processing methods on a commercial scale.

Canners' Machinery Inc. of Simcoe, working with Agriculture Canada staff, is developing the harvesting and processing equipment.

Agriculture and Food Minister Dennis Timbrell believes the new strawberry processing program will have a major spin-off effect in the export area.

"The efficient harvesting and processing equipment now being developed along with the solid-bed planting system makes up a high technology package that will be offered to foreign buyers," Mr. Timbrell says.

The potential market for the strawberry harvester alone is estimated at 300 machines worth some \$12 million. (V)




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